

Isle of Wight Council Ventnor Haven

Annual Report and Draft Accounts

31 March 2013

(pre-audit)



Annual Report and Accounts Contents

	Page
Information and background on Ventnor Haven by the Isle of Wight Council	2
Report on Statutory Harbour Undertakings	3
Officers' report	4
Activity report	5
Profit and Loss account	6
Balance Sheet	6
Notes to the accounts	7



1. Background Information

Relevant legislation:

Ventnor Pier and Harbour Act 1862

Ventnor Harbour Revision Order 1994

The Harbours Act 1964

The Transport Act 1981

The Statutory Harbour Undertakings (Accounts etc) Regulations 1983

The Harbour, Docks and Piers Clauses Act 1847

Local Government Act 1972

Responsible Members:

Cllr. David Pugh (until 6 May 2013)
Cllr. George Brown (until 6 May 2013)
Cllr. Edward Giles (until 6 May 2013)
Cllr. Dawn Cousins (until 6 May 2013)
Cllr. Roger Mazillius (until 25 November 2012)
Cllr. Barry Abrahams (until 2 September 2012)
Cllr. Dave Stewart (Until 6 May 2013)
Cllr. Stuart Hutchinson (Until 6 May 2013)
Cllr. Jonathan Francis Bacon (from 7 May 2013)
Cllr. Jonathan Gilbey (from 7 May 2013)
Cllr. Louisa Hillard (from 7 May 2013)
Cllr. Phillip Jordan (from 7 May 2013)
Cllr. Gordon Kendall (from 7 May 2013)
Cllr. Richard Priest (from 7 May 2013)
Cllr. Shirley Smart (from 7 May 2013)
Cllr. Ian Stephens (from 7 May 2013)
Cllr. Stephen Stubbings (from 7 May 2013)

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2. Report on Statutory Harbour Undertakings

The Council is the statutory harbour authority for Ventnor Harbour. Harbour legislation requires the Council to prepare an annual statement of accounts relating to the harbour activities and any associated activities for each harbour for which it is the statutory harbour authority. This report contains a summary of activities during the year and the financial statements for the year ended 31 March 2013 for Ventnor Haven, for approval by the Cabinet.

Principal activities:

The principal activities during the year continued to be the provision of anchorage, moorings, pontoons and associated harbour facilities as well as leases of harbour land and buildings.

This report will be considered for approval by the Cabinet on 8th October 2013. The accounts are subject to audit, which will be carried out by Ernst and Young, the council's external auditor.

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3. Officers' Report

Officers' report to the members responsible for the combined ports and harbours activities of The Isle of Wight Council.

Section 42 of the Harbours Act 1964, as amended by paragraph 10 of Schedule 6 to the Transport Act 1981, specifies requirements as to accounts and reports relating to the activities of statutory harbour undertakings. It is the duty of every statutory harbour undertaker to prepare an annual statement of accounts relating to the harbour activities and to any associated activities carried out. This requirement cannot be satisfied by the preparation of a statement of accounts which relates to other activities in addition to harbour activities.

The accounts prepared under the Harbours Act 1964 shall be prepared in accordance with the requirements of the Companies Act 2006 as to the form and content of the accounts and reports, and shall be subject to audit. It shall be the duty of any person by whom a statement of accounts is prepared to send to the Secretary of State for Transport a copy of the statement together with a copy of the auditor's report on it.

In the case of the harbour undertakings carried out by the Isle of Wight Council, all of the harbour undertakings are part of the council's service provision to residents, and there is no separate legal entity in place to which the provisions apply. On that basis, these accounts have been prepared for Ventnor Haven harbour activities in a style which is consistent with the reporting requirements of the Companies Act 2006.

As stated above, these accounts shall be subject to audit and a copy of the auditors' report should be sent to the Secretary of State for Transport. However the legislation does not prescribe the form of audit to be undertaken, and neither does the Audit Commission Act 1998 which specifies the audit requirement for public bodies. Clarification is being sought from the Department for Transport on the nature of the audit requirement for harbour undertakings.

It is considered that Ventnor Haven and harbour activities as presented here in abbreviated form are consistent with the reporting requirements of the Companies Act 2006. We have acknowledged our responsibilities for ensuring that accounting records are kept which comply with Companies Act 2006, and for preparing accounts which give a true and fair view of the state of affairs of Ventnor Haven and harbour activities and of their profit or loss for the financial year.

Accordingly, we have prepared abbreviated accounts which comprise the Profit and Loss Account, the Balance Sheet and the related notes to the accounts from the accounting records of the council's Ventnor Haven harbour activities and on the basis of information and explanations that have been provided to us by operational staff and officers engaged in port and harbours activities.

The Statement of Accounts summarises the transactions for the 2012/13 financial year and the financial position at the year-end of 31 March 2013. The Authority is required to prepare the accounts in accordance with proper accounting practices. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

Stuart Love
Strategic Director: Economy and Environment

4. Activity Report

Ventnor Haven is a small fair weather haven situated on the Esplanade, Ventnor. Part of the facility is used by a local fish processing company, and there are a small number of visitor moorings within the haven. The 4 offshore moorings situated in deep water used during summer months have been discontinued, as the cost of their placement and removal far exceeds any income.

The Council owns the freehold interest of Ventnor Haven. It has granted a 125 year ground lease to the Blake family of an area in the centre of the haven, upon which the tenant has constructed a building on stilts that sits above the water and which provides a small scale fish processing facility and wet fish retail outlet, together with a fish and chip shop. The tenant is responsible for the maintenance and repair of this facility.

Cheetah Marine is employed to supervise activities in the Haven on behalf of the council under the terms of a contract which expires in August 2014. In so doing it acts as an agent of the council and is required:

- To provide a day to day supervision service at Ventnor haven in a safe and efficient manner.
- To collect dues from craft using the haven and the adjacent moorings in accordance with the schedule of charges.
- To work with the Isle of Wight Council to develop the haven and expand the range of facilities and services offered to both visitors and local users.
- To inspect all mooring chains on a weekly basis and renew when necessary.
- To clean the slipway, walkway and the pontoons weekly or more frequently.
- To remove all debris from the Haven and the surrounding areas daily.

The terms of the contract were varied last year to additionally include for the removal of sea weed at Ventnor Haven as and when necessary and possible to ensure the Council's compliance with environmental legislation.

To help manage the seaweed accumulations Cheetah Marine have opted to use a pump mounted on a boat which sucks the seaweed and contaminated sand from the Haven. This addresses both the odour issue and maintains the depth within the Haven avoiding the need for dredging. The effectiveness of this approach was found to be compromised by the swinging moorings in the Haven which prevented the boat mounted pump being manoeuvred to where it needed to operate. Cheetah Marine found it necessary to take the moorings out of use and provided an alternative pontoon to allow vessels to be berthed. This pontoon is not a capital asset of the harbour authority which has no maintenance liability for it, rather the provision was an operational decision taken by Cheetah Marine in the discharging of their obligations under the terms of our contract.

5. Profit and Loss Account for the year ended 31 March 2013

	Note	2012-13	2011-12
		£'000	£'000
Turnover	1	16	12
Operating expenses	2	102	110
Other expenses	3	1	3
Net loss		(87)	(101)

6. Balance Sheet as at 31 March 2013

	Note	2012-13	2011-12
		£'000	£'000
Fixed assets			
Tangible assets	4	2,538	2,566
Total fixed assets		2,538	2,566
Current assets			
Debtors		0	0
Total Assets		2,538	2,566
Creditors			
Amounts falling due within one year		0	4
Net current assets		2,538	2,562
Capital and reserves			
Contribution from IWC	5	87	97
Profit and loss account for year	6	-87	(101)
Revaluation reserve	7	0	0
Capital adjustment account	8	2,538	2,566
Total capital & reserves		2,538	2,562

7. Notes to the accounts

1) Turnover

		2012-13	2011-12
		£'000	£'000
Moorings		4	3
Rental income		12	9
Total turnover		16	12

2) Operating expenses

		2012-13	2011-12
		£'000	£'000
Supplies and Services		73	81
Depreciation		29	29
Total operating expenses		102	110

3) Other expenses

		2012-13	2011-12
		£'000	£'000
Support services and other costs		1	3
Total other expenses		1	3

4) Tangible assets

		Land & Buildings
Cost		£'000
As at 1 April 2012		2,831
Additions		0
As at 31 March 2013		2,831
Depreciation		
As at 1 April 2012		264
Charge for the year		29
As at 31 March 2013		293
Net book value as at 31 March 2013		2,538
Net book value as at 31 March 2012		2,566

Depreciation on land and buildings is calculated based on the estimated remaining useful lives of individual assets which is assessed by the Isle of Wight Council. The following ranges of remaining useful lives are used:

Property Land and Buildings 2-100 years
Vehicles, Plant, Furniture and Equipment 1-9 years

5) Contribution from IWC to support continuing activities.

This represents the amount by which The Isle of Wight Council supports the losses incurred during the normal operation and activities of the harbour.

6) Profit and Loss account

Profit or loss incurred during the normal operation and activities of the harbour.

7) Revaluation reserve.

The Revaluation Reserve contains any gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

8) Capital adjustment account

This account relates to the different arrangements for accounting for the use of fixed assets and their related funding as part of Harbour operations.

The total value of fixed assets (note 4) is matched by the sum of the revaluation reserve and the capital adjustment account.